

## Message Text

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ACTION EB-08

INFO OCT-01 EA-10 ISO-00 CAB-02 CIAE-00 COME-00  
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 LAB-04  
SIL-01 /039 W  
-----129066 100412Z /73  
R 090507Z JUN 78  
FM AMEMBASSY TAIPEI  
TO SECSTATE WASHDC 7716

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E.O. 11652: N/A  
TAGS: EAIR, TW  
SUBJECT: CIVAIR: MONOPOLY GROUND HANDLING, NEW  
-- TAOYUAN AIRPORT

REFS: (A) STATE 139092, (B) TAIPEI 02795

1. AT JUNE 8 MEETING EMBOFF REITERATED TO DIRECTOR, CHINESE CIVIL AERONAUTICS ADMINISTRATION (CCAA), USG OPPOSITION TO MONOPOLY GROUND HANDLING PROPOSED FOR NEW TAOYUAN INTERNATIONAL AIRPORT.
2. EMBASSY IS NOT OPTIMISTIC THAT GROG WILL ACCEDE TO U.S. POSITION.
3. CCAA DIRECTOR AND STAFF MADE FOLLOWING POINTS TO SUPPORT THEIR POSITION IN THIS MATTER:

-- A. ALTHOUGH CCAA HAS INDICATED TO MINISTRY OF FOREIGN AFFAIRS ITS BELIEF THAT EMBASSY NOTE SHOULD RECEIVE SHORT, SIMPLE REPLY AS AT LEAST MATTER OF COURTESY, MOFA HAS NOT YET FORMALLY REQUESTED RESPONSE FROM CCAA GIVING RATIONALE OF GROG POSITION.

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- B. IATA POSITION ON GROUND HANDLING PRACTICES IS RECOMMENDATION ONLY, AND IS NOT OBLIGATORY EVEN FOR IATA MEMBERS.
- C. CHIEF REASON CCAA WISHES GROUND HANDLING MONOPOLY IS NOT TO MAKE MONEY, BUT TO INSURE MAINTENANCE OF HIGH STANDARDS OF SERVICE. ALL AIRPORT SYSTEMS WILL BE

OPERATED UNDER A MODERN CENTRAL MANAGEMENT CONCEPT AND CCAA WISHES TO INCLUDE GROUND HANDLING. NEW AIRPORT FACILITY INCLUDES IN FIXED PLANT SOME OF GROUND SERVICE SYSTEMS WHICH IN OTHER FACILITIES WOULD BE MOBILE, SUCH AS FUELING OF AIRCRAFT. CCAA HAS ALREADY MADE A U.S. TWO MILLION DOLLAR INVESTMENT IN GROUND HANDLING EQUIPMENT.

-- D. GROUND HANDLING CHARGES WILL BE REASONABLE, AT MAXIMUM NOT TO EXCEED THE AVERAGE CHARGED AT OTHER REGIONAL INTERNATIONAL AIR TERMINALS. PROJECTED PROFIT IS ONLY 11 TO 12 PER CENT, AND BECAUSE OF SIZE AND NATURE OF TAOYUAN COMPLEX MONOPOLY GROUND HANDLING WILL ALLOW GREATER ECONOMY THAN A MULTIPLICITY OF SERVICES, ACCORDING TO CCAA COST STUDIES. MONOPOLY WILL BE JOINTLY OWNED BY CCAA AND CHINA AIR LINES, AND UNDER STRICT SUPERVISION OF BOTH GOVERNMENT MINISTRY AND GOVERNMENTAL AIRPORT AUTHORITY.

-- E. ONLY ONE U.S. AIRLINE STANDS TO LOSE ANY MONEY INITIALLY AS A RESULT OF CCAA DECISION -- NORTHWEST -- AND CCAA HAS ALREADY INDICATED TO THAT AIRLINE ITS WILLINGNESS TO PURCHASE WHATEVER EQUIPMENT NORTHWEST HAS WHICH IS FIT FOR USE AT TAOYUAN AND TO ABSORB WHATEVER GROUND HANDLING PERSONNEL ARE QUALIFIED TO OPERATE UNDER NEW SYSTEM.  
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-- THERE WILL BE ABSOLUTELY NO DISCRIMINATION IN FAVOR OF ONE AIRLINE OR AGAINST ANOTHER, EITHER IN SERVICE CHARGES OR ANY OTHER FASHION. UNGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AIRPORTS  
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**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
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**Executive Order:** N/A  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Review Content Flags:**  
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**Subject:** CIVAIR: MONOPOLY GROUND HANDLING, NEW -- TAOYUAN AIRPORT  
**TAGS:** EAIR, TW  
**To:** STATE  
**Type:** TE  
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